

The Business Value
of
Civil Service Reform

PUBLISHED BY THE
NATIONAL CIVIL SERVICE REFORM LEAGUE
79 WALL STREET, NEW YORK
1909

351.6

N218

The Business Value of Civil Service Reform

Civil service reform is a business-like method of selecting public officials and employees. It secures for the government, whether national, state or municipal, employees more capable and honest, and administration more economical and efficient than under the spoils system of appointment for political reasons.

The purpose of this article is to present from the mass of testimony in favor of civil service reform specific and concrete examples of the efficiency, integrity and economy secured by this system.

Ten Per Cent in Salaries Saved

A conservative estimate, based upon official reports of public officers, indicates as a result of the operation of the civil service rules a net saving in salaries paid, of at least ten per cent.—*Fifteenth Report of U. S. Civil Service Commission*, p. 17.

A Saving of About One-Half in Salaries

Secretary of the Treasury Windom, gave it as his experience that, under the old system, prior to a change of administration the work of the clerks in his department fell off nearly a half, and that it took the successors of those who were changed at least six months to learn their duties. Accepting the average salary of a government clerk as about \$800 this would mean, in Presidential years at least, that nearly half this salary was wasted, no return being obtained by the people for the amount paid out.—*Sixth Report of U. S. Civil Service Commission*, p. 6.

\$1,400 Saved

One of Boston's aldermen has a brother who drew \$2.50 a day as a provisional inspector of lumber, and who did not inspect any lumber. Eventually, this brother was appointed provisional caretaker of horses,

and his wages increased to \$1,400 a year. The civil service commission held an examination, but the alderman's brother failed to obtain a place on the eligible list. It was thereupon found that the position of caretaker of horses at \$1,400 was not necessary, and no one was appointed, a saving to the city of \$1,400.—*Good Government*, November, 1907.

\$179,000 Saved

In a speech before the Detroit Municipal League in 1905, Hon. Joseph W. Errant, President of the Chicago Civil Service Commission, gave figures showing a saving of \$179,000 in the management of one department in that city. In 1899, the cost of maintaining 1,801 miles of water pipe was \$419,000, while in 1905 the same work cost \$240,000, although the amount of water piping had been increased to 1,978 miles. At the same time, Mr. Errant gave figures showing that the cost of keeping streets and alleys clean under the merit system had been reduced from \$19.61 per mile to \$12.90.—*Detroit Free Press*. November 14, 1905.

Cost of Collecting Water Taxes Decreased About One-Third

From figures given by the Superintendent of the Water Department of Chicago, in a letter dated December 31, 1904, a saving under the merit system of one-third in the cost of collecting water taxes in that city is shown. The following figures show the cost for the year 1894, a year before the passage of the Civil Service Law, and the cost for the year 1904, ten years afterwards:

YEARS	RECEIPTS	EXPENSES	PER CENT
1894	\$3,010,259.92	\$287,306.92	9 $\frac{1}{2}$
1904	\$4,000,000.00	\$260,000.00	6 $\frac{1}{2}$

Saving of Twenty-Five Per Cent

The late Assistant Secretary of the Treasury, Charles S. Hamlin, who was in direct charge of the collection of customs, makes the following statement in a communication to the Commission:

“As to the application of the civil-service rules to that branch of the government service relating to customs, from the experience that I have had in the Treasury Department during the past four years, I am of the opinion that there has resulted a saving to the Government of at least 25 per cent in cost. From the point of view of efficiency, I believe the the saving to have been greater.”—*Fourteenth Report U. S. Civil Service Commission*, p. 14.

A Saving of Over Two Million Dollars

Thus there will have been covered back into the treasury since March 7, 1893, \$2,066,661.19 out of a total amount of \$11,179,455.45 on hand and appropriated.

That these great economies have been affected without in any way marring the efficiency of the department work or unduly limiting its scope is due in a very large degree to the application of civil service rules both in letter and spirit. The wide extension of the civil service classification under the law has been proved by experience to be not only a great help, but absolutely indispensable to the maintenance of an economical and efficient administration of the public service.—*Report of the Secretary of Agriculture*, 1896.

\$390,000 Per Year Saved in One Bureau

The last report of the Superintendent of the Bureau of Engraving and Printing shows that, notwithstanding the work of that Bureau had increased over 77 per cent, the force has only increased 11 per cent. An investigation made by a commission of Treasury experts into the work of this bureau prior to the enactment of the civil service law found the force largely in excess of requirements for the service, and recommended sweeping reductions. In this report the following language is used:

“The total decrease is equal to about 36 per cent of the force as it existed in April, and results in the saving to the Treasury of about \$390,000 per annum.”—*Thirteenth Report U. S. Civil Service Commission*.

A Yearly Saving of Nearly Three Millions

That the maintenance of the Commission is directly in the interest of economy is clearly shown by the statistics prepared last year in connection with the government service in Washington, D. C. In these statistics the growth of the classified positions was compared with the growth of the unclassified positions, and it appeared that since 1883 (the year of the organization of the Commission) the unclassified positions, which have been subject to political control, have increased in number 37 per cent and in cost 43 per cent, while the classified positions subject to examinations have remained at a standstill, practically the only increases in their number having been made by the extensions of the rules to cover positions previously unclassified. Had the classified positions increased in the same proportion as the unclassified positions increased up to the time of their classification, an extra yearly expenditure for additional salaries in Washington alone of more than \$3,000,000 or twenty times the cost of the maintenance of the commission, would be required.—*Fourteenth Report of the U. S. Civil Service Commission, p. 13.*

\$3,000 Saved

While the commission has no power to prevent unnecessary appointments.....provided such appointments are made according to civil service rules, the existence of such rules makes it more difficult to pad the payrolls.....

The case involving the appointment of John J. Douglas to the position of Assistant Superintendent of the Ferry Division of the Street Department of Boston was decided by the Supreme Judicial Court, the appointment being held to be in violation of the civil service law.

The commission held a competitive examination on March 29, 1907, to establish a list of eligibles for the position. No appointment was made, however, to fill the place, and it has remained vacant.

This result constitutes a pertinent illustration of the manner in which the application of the merit system

tends toward economy in city administration.....The net saving to the city of Boston in this case is \$3,000—the salary of the deposed Assistant Superintendent.—*Twenty-fourth Report of Massachusetts Civil Service Commission.*

\$9,600 Saved in One Year

The new warehouse of the Department of Elections, under construction at Eighteenth and Division Streets, is a monument to the efficiency of civil service reform. It is being built out of the savings of an office that was once one of the most wasteful and extravagant in the city government, but which has become through the operation of the merit system one of the most efficient and economical.

There has long been a necessity for some sort of safe storage for the election booths in use in the city. At present they are stored in an inflammable wooden structure surrounded by furniture factories, and if they were to take fire just before an election the city would not only lose the \$30,000 they represent in money value, but the whole election machinery would be deranged and thrown into hopeless confusion. The warehouse above will be built of brick, with but few doors and windows, will be practically fireproof, and will be amply large enough to accommodate the million or so feet of lumber of which the booths consist.

The cost will be about \$9,600. The entire sum was saved out of the appropriation for the department of elections last year, and it is due to operation of the merit system in the office of Registrar Thomas J. Walsh, that the saving was made possible. Since 1900 the department has lived within the appropriations and has had a small surplus at the end of each year, a condition unknown under the Consolidation Act. Before the adoption of civil service reform, and when elections were held once in two years, the expenses of the Department of Elections averaged \$200,000 a year, and have been known to reach \$290,000. Under the charter the cost has been reduced to an average of \$113,000 a year, and we now have from two to four elections annually.

It must be gratifying to taxpayers to know that in at

least one municipal department it has been possible to make a permanent improvement out of current revenue. That it has been possible is entirely due to Mr. Walsh's economical administration of his office on merit system principles.—*Merchants' Association Review, San Francisco, Cal., September, 1903.*

Over Two Million Dollars and a Year's Time Would Have Been Saved Under The Merit System

In 1896 (Senate Document No. 5, Fifty-fourth Congress) Hon. Carroll D. Wright, Director of the Census, stated:

"The absolute necessity of bringing the whole census force into the classified service, in accordance with the act of January 16, 1883, and the amendments thereto and rules thereunder, seems to me perfectly apparent. Had this been the rule in the Eleventh Census there would have been, in my opinion, a saving of at least \$2,000,000 and more than a year's time."

Subsequently in a letter to Senator Lodge (Congressional Record, December 15, 1907) he compared the cost of similar work in the Department of Labor, under civil service rules, with the cost of taking the census, and stated:

"Bringing the comparison to a concrete and quantitative statement, it is seen that had the cost of preparing the matter by the Eleventh Census Office been at the same rate per 1,000 nonpareil ems as was the cost of preparing like matter in the Department of Labor, the total cost under the first comparison—that is, exclusive of printing, engraving and binding—would have been \$3,595,432.68, instead of \$10,016,677.68, a saving of \$6,421,245, while under the second comparison, that excluding the cost of the field force in collecting the material as well as that of printing, engraving and binding, it would have been \$2,298,821.94, instead of \$5,670,847.15, a saving of \$3,372,025.21.

"The above statements more than justify the opinion which I expressed in the report on a plan for a permanent census service, for instead of an extra cost of \$2,000,000, to which I guardedly limited myself, it is

apparent that under the first comparison there was an extra cost of \$6,421,245, and under the second comparison of \$3,372,025. The magnitude of the census work, the lack of time for preparation, the temporary nature of the force, etc., may properly, and perhaps sufficiently account for the extraordinary expense above the \$2,000,000, which I have attributed to the absence of civil-service rules."

Increase of 37 Per Cent in Work

Decrease of 20 Per Cent in Cost

From a letter of H. G. Pearson, Postmaster, City of New York, January 10, 1889:

"Methods involving such competitive tests have, to a greater or less extent, obtained at this office since 1872.....A further result of the reformed system of appointment has been in the direction of economy.....as shown by the fact that while in one of its largest departments (mailing and distribution) the bulk of mail matter handled had increased in 1882 37.30 per cent over that handled in 1874, the cost of the service required in handling it was 20 per cent less.... In the money order department the records show that for the past nine years there has been an increase in the number of orders issued, paid, etc., of 110 per cent; and in the amount of money handled of 94 per cent, while the increase in the cost of clerical service required for the performance of the business has been but 18 per cent."—*First Report N. Y. State Civil Service Commission*, p. 270.

Reduction in Force: Increase in Work

Since March 7, 1893, the classified service has been extended until it includes every important permanent position in the United States Department of Agriculture. Reports from chiefs of bureaus and divisions since this classification are unanimous in praising the enhanced value of the service rendered by their assistants and employees. In efficiency and economy the classification has very visibly improved the work.

Decrease of 280 Employees—Increased Work

March 4, 1893, there were 2,497 men and women upon the payrolls of this department. But on November 1, 1896, there were only 2,217 on the rolls; that is—withstanding an increased amount of work—there had been a reduction in the force of 280.

Decrease of 23 Employees—Work Trebled

The effect of placing the Bureau of Animal Industry within the classified service has been very marked in increasing its efficiency and improving its discipline. This is particularly apparent with the employees stationed at other cities than Washington. The decreased expense of the inspection work is largely due to this improvement in the force.....On March 4, 1893, there were 781 persons employed by this Bureau, but on November 1, 1896, there are only 758, notwithstanding the fact that the work has more than trebled. —*Report of the Secretary of Agriculture, 1896.*

Increased Efficiency: Fewer Employees

This meteorological service has developed since 1870 until it is the largest in the world. We have in this service, I can fairly say, a merit system that knows no favorites. I was an employee of the old federal service a third of a century ago, when there was no civil service, and when, I do not hesitate to say, corruption was rampant in almost every branch of the public service. A man could sell nothing to the government from which somebody did not get a rake-off, all the way from the receiving clerk up—very high up, sometimes. Furthermore, at that time for every position there were several unnecessary men and probably not more than one out of ten competent to perform his duties. This was not the fault of the men, it was not the fault of the politician, it was not the fault of executive officers; it was the fault of the system and, therefore, of the whole American people.

All of that is changed to-day; the appointing officer, the chief of a bureau, the secretary of a department, has no incentive to increase his force beyond that which he

needs to perform the public duty. Why? Because he cannot put his friends into office. The legislator has no incentive to appropriate more public money than is needed for public employees, because he cannot control who shall be appointed, and so, as a result, I believe during the first twenty years of the application of the civil service law, notwithstanding the fact that the public business increased several fold, the number of federal employees actually decreased.

I can give you an illustration in my own bureau. The law was just beginning to come into effect—it was not wholly in effect over all places—when I came into the chiefship of that bureau. I have to-day twelve fewer employees at the central office at Washington than I had when I went there fourteen years ago. That is not due to any virtue of my own, it is due to the application of the correct principle. In that time no person dismissed for cause—we have always tried to be sure of our cause—has ever been reinstated in the public service. There is absolutely no patronage in the weather service for any senator or representative or any one else, and I do not believe that either myself or the other administrators of the weather service have a single enemy in either hall of Congress. We have no difficulty in getting the necessary money to run the service. If an executive officer, either in your municipality or in your state or in your federal service, will honestly perform his duties, fearlessly selecting men only when they are needed, advancing those only who have merit, I venture to say that he will get the support of the legislators.—*Extract from an address by Prof. Willis L. Moore, Chief of the United States Weather Bureau, before the City Club of Chicago on February 13th, 1909, published in the City Club Bulletin for March 3d, 1909.*

Efficiency Increased Over Three-Fold

The Railway Mail Service was brought into the classified service in 1889. In his annual report for 1897 the General Superintendent of the Railway Mail Service gives a table (printed below) showing the increase in efficiency of that service during the ten years. The

direct result of the spoils system is seen in the increase in errors in 1890 concerning which the Postmaster General in his report for 1896 says: "It will be recalled that wholesale discharges of postal clerks were made on political grounds near the close of the fiscal year 1889, the effect of which appears in an increase of nearly 1,000,000 errors in 1890 and the large falling off in the number, correct to each error."

Year ended June 30—	Pieces of mail matter distributed	Errors in distribution	Per cent		Pieces correct to each error	Per cent	
			Increase	Decrease		Increase	Decrease
1888..	6,528,772,060	1,765,821	.....	.....	3,694	.....	.....
1889..	7,026 837,130	1,777,295	.66	.....	3,954	7.04	.....
1890..	7,847,723,600	2,769,245	55.81	.....	2,834	.....	28.33
1891..	8,546,370,090	2,005,973	.....	27.56	4,261	30.35	.....
1892..	9,227,816,090	1,658,457	.....	17.32	5,564	30.58	.....
1893..	9,772,075,810	1,367,880	.....	17.52	7,144	28.40	.....
1894..	10,033,973,790	1,281,094	.....	6.34	7,831	9.62	.....
1895..	10,377,875,040	1,166,682	.....	9	8,894	13.57	.....
1896..	11,166,323,240	1,134,411	.....	2.76	9,843	10.67	.....
1897..	11,571,540,680	967,538	.....	14.71	11,960	21.51	.....

It will be seen that the percentage of errors in the distribution of mail matter decreased under the operation of the civil service rules from 1 in 3,694, to 1 in 11,960.

In his report for 1897 the General Superintendent of the Railway Mail Service states that during these 10 years the amount of mail matter handled has increased 77.2 per cent., but that the increase in force has been only 48.6 per cent.

Improved Character of Appointees

The civil-service laws and regulations as applied to the Railway Mail Service, accomplishes all the most sanguine expected. The eligibles for appointment who have been certified and selected excel in the fundamental qualities, such as suitable age, good physical condition and habits, activity and retentiveness of

memory, and prospective growth and length of useful service.

Having such desirable undeveloped material to work upon, the management experiences less difficulty in molding it into well-disciplined, industrious, thoughtful, efficient clerks. A much larger per cent of the probationers succeed in earning permanent appointment, and, under the system of development which obtains in the service, they continue to improve during their connection with it, and as opportunities occur, are advanced in class according to their merits. In the judgment of this office the present efficiency could not have been obtained under any other method—*Report of the General Superintendent of Railway Mail Service, 1894.*

No Padding of Payrolls Around Elections

There had formerly been a great abuse in the way of employment of labor in the navy yards just before election, and a law was passed prohibiting such employment except in case of urgency. The law accomplished nothing. Urgency was always declared. In the Presidential election of 1888 the old system of appointment of laborers for political reasons obtained. On September 1 of that year there were fourteen hundred and odd employees in the Brooklyn Navy Yard. On November 1 there were 2,500. By December 1 the number had shrunk again to less than 1,400. Over 1,000 men were employed during the two months before election, and were discharged inside of a month after election. That was in 1888.

During the course of the next Presidential term the service was practically classified, the registration system was established, and on September 1, 1892, 2,200 were employed. On November 1 there were 2,052 men. Instead of 1,000 more, 150 less were employed. On December 1 the same number were still employed.—*Assistant Secretary of the Navy, Roosevelt, in testimony before the Senate Committee on Civil Service, February 1, 1898.*

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